

ORDINANCE NO. *G0-06-26*

An Ordinance concerning the construction of additions and improvements to the sewage works of the Town of Georgetown, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith.

WHEREAS, the Town of Georgetown, Indiana ("Town") has heretofore established, constructed and financed its sewage works (the "Utility"), and now owns and operates the Utility pursuant to IC 36-9-23, as in effect on the issue date of the bonds authorized herein, and other applicable laws ("Act"); and

WHEREAS, the Town Council of the Town ("Legislative Body") finds that certain improvements to said works are necessary including a waste water treatment plant; that plans, specifications and estimates have been or will be prepared and filed by the engineers employed by the Town for the construction of said improvements and extensions (as more fully set forth in Exhibit A hereto and made a part hereof) ("Project"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Clerk-Treasurer as required by law; and

WHEREAS, the Town Council is most concerned in maintaining the public's health and welfare by insuring sanitary sewage is not allowed to stray into the area's underground aquifers, much less surface waters; and,

WHEREAS, the Town Council has been studying the issues surrounding the collection, treatment and disposal of the Town's sanitary sewage at least since the summer of 2004, when the Council began meeting with representatives from Harrison County, at their request; and,

WHEREAS, the Town Council reviewed proposals from four Sanitary Sewer Works Engineering Firms in February of 2005, after duly advertising notice of the Town's intent to seek professional input; and,

WHEREAS, the Town Council hosted public hearings on Sanitary Sewer processing costs (rates) beginning in June of 2005; and,

WHEREAS, the Town Council solicited Qualifications from Sanitary Sewer Design-Build Teams in the Fall of 2005, again publicly advertising for this input; and,

WHEREAS, the Town Council narrowed its search of Sanitary Sewer Design-Build Teams on October 20, 2005, and sought formal proposals from three firms; and,

WHEREAS, the Town's consulting engineers, Heritage Engineering, recommended to the Town Council what kind of land and how big it needed to be to build a wastewater treatment plant on it. The engineers said the plant would take up about one acre of land. The engineers suggested buying a minimum of four acres of land, to allow for plenty of buffer between the plant and any surrounding property owners. Whereupon the Town Council made a formal decision that it would not consider any property for purchase that was less than ten acres in size, to insure more than an adequate buffer between the wastewater plant and any surrounding property owners; and,

WHEREAS, the Town Council searched, researched and on April 20, 2006, finally purchased a 22.3 acre piece of property specifically acquired to be the site for the Town's wastewater treatment plant; and,

WHEREAS, the Town Council held another public hearing on May 4, 2006 to decide whether the Town should build its own wastewater treatment plant; and,

WHEREAS, the Town has obtained engineers' estimates of the costs for the construction of the Project and will advertise for and receive bids for the construction of the Project; said bids will be subject to the Town's determination to construct the Project and subject to the Town obtaining funds to pay for the Project; that on the basis of the engineer's estimates, the maximum estimated cost of the Project, as defined in IC 36-9-23 and IC 36-9-1, including incidental expenses, is in an amount not to exceed _____ Million Dollars (~~\$2,500,000~~); and

WHEREAS, the Town Council finds that there are outstanding bonds payable out of the Net Revenues (as hereinafter defined) of the Town's Utility designated "Town of Georgetown Sewage Works Refunding Revenue Bonds Series 1998 (the "Outstanding Bonds")", now outstanding in the amount of \$2,010,000 and maturing annually over a period ending July 1, 2022, which Outstanding 1998 Bonds constitute a first charge upon the Net Revenues of the Utility; and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Bonds permit the issuance of additional bonds ranking on a parity with the Outstanding Bonds provided certain conditions can be met, and the Town finds that the finances of said Utility will enable the Town to meet the conditions for the issuance of additional parity bonds and that, accordingly, the bonds issued hereunder shall rank on a parity with the Outstanding Bonds; and

WHEREAS, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the Utility on a parity with the Outstanding Bonds and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this ordinance; and

WHEREAS, the Town desires to authorize the issuance of Bond Anticipation Notes (BANs) hereunder, if necessary, and to authorize the refunding of the BANs, if issued; and

WHEREAS, the Legislative Body now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue bonds and BANs to apply on the cost of the Project have been complied with in accordance with the provisions of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE
TOWN COUNCIL OF THE TOWN OF GEORGETOWN THAT:

Section 1. Construction Authorization.

(a) The Town shall proceed with the construction of the Project in accordance with the plans and specifications heretofore prepared or to be prepared and filed by the consulting engineers employed by the Town, which plans and specifications are now on file or will be subsequently placed on file in the office of the Clerk-Treasurer of the Town, and open for public inspection pursuant to IC 36-1-5-4, and are hereby adopted and approved, and by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein. The estimated cost of construction of the Project is expected to not exceed the sum of \$2,500,000⁰⁰, plus investment earnings on the BAN and bond proceeds.

The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

(b) Estimate of Fees. The Town has adopted Ordinance No. G-06-24 setting forth the estimate of fees and charges for the several classes of uses as more fully set out in such Ordinance attached hereto and made a part hereof as Exhibit "B."

Section 2. Bond Authorization.

(a) The Town shall issue, if necessary, its BANs for the purpose of procuring interim financing to apply on the cost of the Project and the payment of costs of issuance. The Town shall issue its BANs in an aggregate amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) to be designated "Sewage Works Bond Anticipation Notes." The BANs shall be sold at not less than 100% of their par value, shall be numbered consecutively from 1 upward, shall be in multiples of \$1,000 as set forth in the purchase agreement for the BANs, shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 6% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable at maturity or upon redemption. The BANs will mature no later than one (1) year after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 8% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed two (2) years from

the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

The BANs may be sold to a financial institution or any other purchaser. The BANs shall be payable solely from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act. The revenue bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues after deduction only for the reasonable expenses of operation, repair and maintenance) of the sewage works of the Town, including all extensions thereof and additions and improvements thereto subsequently constructed or acquired, on a parity with the payment of the Outstanding Bonds.

(b) The Town shall issue its sewage works revenue bonds in the aggregate amount not to exceed ~~\$2,500,000.00~~ to be designated "Sewage Works Revenue Bonds of 2006" ("Bonds"), for the purpose of procuring funds to apply on the cost of the Project, costs of issuance and refunding the BANs, if issued. The Bonds shall be issued and sold at a price not less than 98.0% of the par value thereof, in fully registered form in denominations of Five Thousand Dollars (\$5,000) each or integral multiples thereof, numbered consecutively from 1 up, dated as of the first day of the month in which they are sold or as of the date of delivery of the Bonds, as determined by the Clerk-Treasurer with the advice of the Town's financial advisor, and shall bear interest at a rate or rates not exceeding 8% per annum, payable annually on July 1 in each year, commencing on [date]. The Bonds shall mature annually on July 1 over a period ending no later than [date], and in such amounts that will produce as level annual debt service as practicable with \$5,000 denominations, taking into account the annual debt service on the Outstanding Bonds.

Interest on the Bonds and BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful bidder. Such term bonds shall have a stated maturity or maturities in the years as determined by the successful bidder, but in no event later than the last serial maturity date of the Bonds as determined in accordance with the above paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereinafter determined in accordance with the above paragraph.

Section 3. Execution. Payment and Transfer Terms.

The Bonds shall be signed in the name of the Town by manual or facsimile signature of the President of the Town and attested by the manual or facsimile signature of the Clerk-Treasurer of the Town, who shall (if existing) affix the seal of the Town to each of the Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or any other means. Such officers or officials, by the signing of the Bonds (whether by their manual or facsimile signature) and a Signature and No Litigation

Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the Bonds and such acknowledgement shall constitute conclusive evidence that such officer or official approved the terms of the Bonds, after receiving the advice of the Town's counselor financial advisor, as and to the extent required to fix the terms thereof in a manner consistent with the authorization provided under this Ordinance. In case any officer or official whose signature appears on the Bonds shall cease to be such officer or official before the delivery of such Bonds, his or her signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or official had remained in office until such delivery.

A qualified institution may be appointed by the President and the Clerk-Treasurer of the Town as registrar and paying agent (the "Registrar" or "Paying Agent") for the Bonds, and is hereby charged with the responsibility of authenticating and providing for the, registration, exchange and transfer of the Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer of the Town is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sinking Fund (as hereinafter defined) to pay the principal of and interest on the Bonds and fiscal agency charges.

As to the Bonds, the BANs and the Bonds, the Purchaser may consent to designating the Clerk-Treasurer of the Town as the Registrar and Paying Agent and is charged with the performance of all of the duties and responsibilities of the Registrar and Paying Agent.

All payments of interest on the Bonds shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owners thereof at their addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner as of the 15th day of the month next preceding any interest payment date (the "Record Date"). All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment shall be legal tender for the payment of public and private debts. Interest on Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date. Bonds authenticated on or subsequent to the first interest payment date shall be dated as of the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made

or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal day.

If any Bond shall not be presented for payment or redemption on the date fixed therefore, the Town may deposit in trust with its depository bank an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with the bank for payment and the Town shall have no further obligation or liability in respect thereto.

Each Bond shall be transferable or exchangeable only upon the books of the Town kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by such owner's attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such owner's attorney duly authorized in writing, and thereupon a new fully registered Bond, in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefore. The costs of such transfer or exchange shall be borne by the Town. The Town, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Town has determined that it may be beneficial to the Town to have the Bonds held by a central depository system pursuant to an agreement between the Town and The Depository Trust Company, New York, New York ("Depository Trust Company") and have transfers of the Bonds effected by book-entry on the Books of the Central depository system ("Book Entry System"). The Bonds may be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. In such case, upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the Town and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial owner")) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the

principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Town to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The Town and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Town's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Town's and the Payment Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Town of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Town to the Depository Trust Company.

Upon receipt by the Town of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Town kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this ordinance.

If the Town determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the Town may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial owners of the availability through the Depository Trust

Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the Town and the Registrar to do so, the Registrar and the Town will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of a Depository Trust Company, the Registrar shall cause the Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the Town indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communications to be provided to bondholders by the Town or the Registrar with respect to any consent or other action to be taken by bondholders, the Town or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as the Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the Town and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such Beneficial stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and the Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this ordinance and the Town and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

Section 4. Redemption of Bonds.

A. Effective ninety (90) days after issuance, the BANs are pre-payable by the Town, in whole or in part, on any date, upon seven (7) days notice to the owner of the BANs without any premium.

B. The Bonds of this issue maturing on and after a date (which date shall be within **twelve (12)** years from the dated date of such Bonds [the "Initial Call Maturity"]) to be selected by the Clerk-Treasurer, with the advice of the Town's financial advisor, shall be redeemable at the option of the Town on the interest payment date either preceding or next preceding (as selected by the Clerk-Treasurer, with the advice of the Town's financial advisor) the Initial Call Maturity, and on any date thereafter, on thirty (30) days' notice, in whole or in part, and by lot within a maturity, at face value together with or without a premium but such premium, if any, shall not exceed **2 percent** (expressed in percentage of face value) (as determined by the Clerk-Treasurer, with the advice of the Town's financial advisor), plus in each case accrued interest to the date fixed for redemption.

Advertisement or negotiation of such dates and premiums shall constitute selection by the Clerk-Treasurer thereof in accordance with the foregoing terms. Such determination shall be made and fix separately for each series of Bonds issued.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date as stated above.

If less than all of the Bonds are called for redemption at one time, the Bonds shall be redeemed in inverse order of maturity and by lot within a maturity. Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption. Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Town not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the Bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the Town. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if

sufficient funds are available at the place of redemption to pay the redemption price on the date so named and when the obligations shall be presented for redemption.

Section 5. Security Pledge. The Bonds, and any obligations ranking on a parity therewith, as to both principal and interest, shall be payable solely from and secured by an irrevocable. pledge of and shall constitute a charge upon the Net Revenues (herein defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the Utility of the Town, whether now or hereafter constructed or acquired. The Town shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Utility, and the Bonds shall not constitute an indebtedness of the Town within the meaning of the provisions and limitations of the constitution of the State of Indiana. The Bonds shall state on their face that the Town shall not be obligated to pay the same or the interest thereon except from the special sinking fund provided from the Net Revenues of the Utility.

Section 6. Form of BANs and Bonds. The form and tenor of the BANs and Bonds shall be substantially as follows (with such additions, deletions and modification as the President and Clerk-Treasurer may authorize, as conclusively evidenced by their signatures thereon), with all blanks to be filled in properly prior to delivery thereof:

UNITED STATES OF AMERICA
STATE OF INDIANA COUNTY OF FLOYD

No. R- TOWN OF GEORGETOWN, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS OF 1998

<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
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Registered Owner:

Principal Sum:

The Town of Georgetown, Indiana, in Floyd County, State of Indiana (the "Town"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon from the date hereof until the Principal Sum is paid at the rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the 15th day of the month next preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before [Date of issue of BANs and Bonds], in which case it shall bear interest from the Original Date, which interest on the Bonds and BANs is payable semi-annually on the first day of January and July of each year, beginning January 1, 2007. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal sum of this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in _____, Indiana. All payments of interest on this bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on the bond shall be made in coin or currency of the United States of America, which on the dates of such payment shall be legal tender for the payment of public and private debts.

THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA, AND THE ISSUER SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST THEREON EXCEPT FROM THE SPECIAL FUND PROVIDED FROM THE NET REVENUES DESCRIBED HEREIN.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Town has caused this bond to be executed in its corporate name by the manual or facsimile signature of the President of the Town, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF GEORGETOWN, INDIANA

By: Gary L. Smith
President

Attest:

Douglas Cook
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

as Registrar

By: _____
Authorized Representative

(To be printed on Reverse Side)

This bond {BANs} is one of an authorized issue of bonds of the Town, of like date, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of \$ 350,000⁰⁰, numbered from R-1 up, issued for the purpose of providing funds to be applied to acquire and construct additions to its sewage work of the Town's municipal sewage works utility, and to pay incident expenses, as authorized by an ordinance adopted by the governing body of the Town on the 10th day of July, 2006, entitled "An Ordinance concerning the construction of additions and improvements to the sewage works of the Town of Georgetown, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith.

Pursuant to the provisions of the Act and the Ordinance, the principal and interest on this bond and all other bonds of the issue and any bonds hereafter issued on a parity therewith, are payable solely from the Sinking Fund (created by the Ordinance) to be provided from the Net Revenues (hereinafter defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the utility, including the utility financed or refinanced by the use of the proceeds of this bond and all additions and improvements thereto and replacements thereof subsequently constructed or acquired.

The Town irrevocably pledges the entire Net Revenues of the utility. to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, and any bonds ranking on a parity therewith, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the utility as are sufficient in each year for the payment of proper and reasonable expenses of operation, repair and maintenance of the utility and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. In the event the Town or the proper officers or officials thereof shall fail or refuse to so fix, maintain or collect such rates or charges, or if there be a default in payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the utility and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The Town further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of the utility to meet (a) the interest on all bonds payable from the revenues of the utility (including, without limitation, the bonds authorized by the Ordinance), as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of the utility (including, without limitation the bonds authorized by the Ordinance), as such principal shall fall due, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall

constitute a charge upon all the Net Revenues of the utility, all as more particularly described in the Ordinance.

The bonds of this issue maturing on _____, or thereafter, are redeemable at the option of the Town on _____, or any date thereafter, on not less than thirty (30) days' notice, in whole or in part, in inverse chronological order of maturity and by lot within a maturity, at face value together with the following premiums (expressed in percentage of face value):

_____ % if redeemed on _____ or thereafter
before _____;

_____ % if redeemed on _____ or thereafter
before _____;

0% if redeemed on _____ or thereafter;

plus in each case accrued interest to the date fixed for redemption.

[As follows if sold subject to mandatory sinking fund redemption:

If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

The Bonds maturing on _____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Date

Amount

*Final Maturity]

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Town not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the bond or bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the Town. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named and when the bonds shall be presented for redemption.

If this bond shall not be presented for payment or redemption on the date fixed therefore, the Town may deposit in trust with its depository bank an amount sufficient to

pay such bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with the bank for payment and the Town shall have no further obligation or liability in respect thereto.

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

This bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the office of the Registrar, or its successor, by the registered owner hereof in person, or by such owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such owner's attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Town, the Registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The bonds maturing in anyone year are issuable only in fully registered form in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Town has designated this bond as a Qualified Tax-Exempt Obligation as defined in Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986, as in effect on the Original Date.

The following abbreviations, when used in the inscription of the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM.	As tenants in common
TEN ENT.	As tenants by the entireties
JT TEN.	as joint tenants with right of survivorship and not as tenants in common
UNIF TRANSFERS MIN ACT.	_____ Custodian _____ (Cust) (Minor)

under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Please Print or Typewrite
Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the registration books of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by an eligible guarantor
institution participating in a Securities
the
Transfer Association recognized signature
the front
guarantee program.
without

Registered Owner
(NOTE: The signature above
must correspond with the name of
Registered Owner as it appears on
of this Bond in every particular
alteration or enlargement or any
change whatsoever.)

Section 7. Preparation and Sale of Bonds and BANs. The Clerk-Treasurer is hereby authorized and directed to have the Bonds and BANs (if necessary) prepared, and the President and Clerk-Treasurer of the Town are hereby authorized and directed to execute the BANs and Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds and BANs to the respective purchasers thereof after sale made in accordance with the provisions of this Ordinance, provided that at the time of the delivery the Clerk-Treasurer shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 98 percent of the face value of the Bonds and BANs as the case may be, plus accrued interest, if any, from the date thereof to the date of delivery. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable out of the Net Revenues of the

Town's Utility to be set aside into the Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the refunding of the BANs if such were issued, the refunding of any other interim borrowing, if any, related to the Project, application on the cost of the Project and the expenses necessarily incurred in connection therewith. In the event it shall be hereafter determined that it is not necessary to issue all of the Bonds authorized by this Ordinance, the Clerk-Treasurer shall be authorized to sell and deliver a lesser amount of Bonds than herein authorized. The proper officers or officials of the Town are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary, to carry out the provisions of this Ordinance.

The Clerk-Treasurer is hereby authorized and directed to negotiate the sale of and deliver the Bonds to a purchaser appointed by the Clerk Treasurer with the advice of the Town's financial adviser (the "Underwriter") in accordance with a Purchase Contract (the "Purchase Contract") between the Town and the Purchaser. The President and Clerk-Treasurer are hereby authorized to execute and deliver the Purchase Contract in a form and substance as determined by such officials, with terms consistent with this Ordinance, including a final principal amount, interest rates, maturity schedule, optional redemption terms, and term bond mandatory redemptions, if any. As an alternative to a negotiated sale, the President and Clerk-Treasurer are hereby authorized to cause the Bonds to be sold at public sale if determined by them to be in the best interests of the Town. The proper officers of the Town are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary, to carry out the provisions of this Ordinance.

Prior to the sale of the Bonds, the Clerk-Treasurer shall cause to be published either (i) a notice of bond sale in *The New Albany Tribune* and *The Clarion*, the only newspapers published in the Town two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in *The New Albany Tribune* and *The Clarion* and in the *Court & Commercial Record* all in accordance with IC 5-1-11 and IC 5-3-1. A notice or summary notice of sale may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rates of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the clerk-Treasurer and the attorneys employed by the Town shall deem advisable, and any summary notice may contain any information deemed so advisable. Said notice shall provide, among other things, that bidders for the Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth ($1/8$) or one-twentieth ($1/20$) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 98.5% of the face amount of the Bonds will be considered. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check or a financial surety bond to guarantee performance on the part of the bidder. If a financial surety bond is used, it must be from

an insurance company licensed to issue such bond in the State of Indiana, and such bond must be submitted to the Town prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bonds. If the Bonds are awarded to a bidder utilizing a financial surety bond, then that purchaser is required to submit to the Town a certified or cashier's check (or wire transfer such amount as instructed by the Town) not later than 3:30 p.m. (Georgetown Time) on the next business day following the award. In the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the Town and shall be considered as its liquidated damages on account of such default. No conditional bids or bids for less than the par value of the Bonds will be considered. The opinion of Frost Brown Todd, bond counsel of New Albany, Indiana, approving the legality of said bonds will be furnished to the purchaser at the expense of the Town.

Section 8. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Sewage Works Sinking Fund ("Sinking Fund"). The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Town, in a special account or accounts to be designated as "Town of Georgetown, Sewage Works Construction Account" ("Construction Account"). All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Frost Brown Todd shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Costs of Issuance of the Bonds not otherwise paid, shall be paid from the remaining proceeds by the Clerk-Treasurer. When all the costs of issuance of the Bonds have been paid, the Clerk-Treasurer shall then transfer any amount then remaining from the proceeds of the Bonds to the Sinking Fund and other Funds as herein provided.

Section 9. Revenues. All revenues derived from the operation of the sewage utility works and from the collection of sewer rates and charges shall be deposited into the Sewage Utility Revenue Fund (the "Revenue Fund") and there shall be deposited into the Revenue Fund, upon receipt, all income and revenues of the Utility. The Revenue Fund shall be maintained separate and apart from all other bank accounts of the Town. Except as permitted hereunder, no moneys derived from the revenues of the Utility shall be transferred to the General Fund of the Town or be used for any purpose not connected with the Utility so long as any obligations payable from the Net Revenues of the Utility are outstanding.

Section 10. Operation and Maintenance Fund. The Operation and Maintenance Fund is hereby continued and it shall be credited on the last day of each calendar month with a sufficient amount of revenues of the Utility so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. Moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Utility on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacement, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expense of operation, repair and maintenance for the next succeeding month may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding obligations of the Utility.

Section 11. Sinking Fund. The special fund designated the "Sinking Fund" is hereby continued for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Utility, and the payment of any fiscal agency charges in connection with the payment of obligations and interest, which Fund shall be designated (with additional designations as deemed useful by the officer or official establishing such account) as the "Sewage Utility Sinking Fund" (the "Sinking Fund"). There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the Utility to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account hereby created in the Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Debt Service Reserve Account hereinafter described, equals the amount needed to redeem all the then outstanding obligations of the Town.

(a) Bond and Interest Account. The bond and interest account is hereby continued. There shall be credited, on the last day of each calendar month, to the Bond and Interest Account an amount of Net Revenues equal to the sum of (i) one-sixth (1/6) of the interest on all then outstanding obligations payable from Net Revenues on the then next succeeding interest payment date (except with respect to the first interest payment date, such fraction credited on a monthly basis shall be sufficient to assure that funds will be available to make such interest payment) and (ii) at least one-twelfth (1/12) of the principal (provided, if the Bonds are issued with scheduled principal payments due on January 1 and July 1 of each year, then in lieu of one-twelfth (1/12) of such principal payment, such transfer shall be at least one-sixth (1/6) of such principal payment) on all then outstanding obligations payable from Net Revenues of the Utility payable from Net Revenues on the then next succeeding principal payment date (except with respect to the first principal payment date, such fraction credited on a monthly basis shall be sufficient to assure that funds will be available to make such principal payment), until the amount of interest and principal payable on the then next succeeding respective interest and principal payment dates shall have been so credited. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges for paying

principal and interest on the obligations payable from Net Revenues of the Utility as the same become payable. The Town shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner and to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. Following the issuance of the Bonds, there shall be credited to and become a part of the Debt Service Reserve Account not less than the required monthly deposit or such higher amount as fixed by the Town from the Net Revenues of the Utility on the last day of each calendar month until the balance therein equals, but does not exceed, the lesser of (i) the maximum annual debt service on the obligations payable from Net Revenues of the Utility, (ii) one hundred twenty-five percent (125%) of average annual debt service on the obligations payable from Net Revenues of the Utility or (iii) ten percent (10%) of the proceeds of the obligations payable from Net Revenues of the Utility ("Reserve Requirement"). The amount of the monthly deposits shall be equal in amount and sufficient in the aggregate to accumulate the Reserve Requirement within five (5) years from the date of delivery of the obligations payable from Net Revenues of the Utility. The balance within the Debt Service Reserve Account shall never exceed the Reserve Requirement.

The Debt Service Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on outstanding obligations payable from Net Revenues of the Utility, and the moneys in the Debt Service Reserve Account shall be used to pay current principal and interest on outstanding obligations payable from Net Revenues of the Utility to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Debt Service Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event the money in the Debt Service Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding obligations payable from Net Revenues of the Utility, then such depletion of the balance in the Debt Service Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Debt Service Reserve Account in excess of the Reserve Requirement shall be transferred to the Improvement Fund unless used for the prepayment of installments of principal on the then outstanding obligations payable from Net Revenues of the Utility which are then callable or prepayable, or for the purchase of outstanding obligations payable from Net Revenues of the Utility including accrued interest.

Section 12. Improvement Fund. In the event all required monthly payments into the Operation and Maintenance Fund and the Sinking Fund, including the Bond and Interest Account and the Debt Service Reserve Account, have been met to date, and the Reserve Requirement has been accumulated in the Debt Service Reserve Account (or within five (5) years from the date of delivery of the Bonds, the required payments to date have been made to the Debt Service Reserve Account), then any excess Net Revenues may be transferred into the "Sewage Utility Improvement Fund" (the

"Improvement Fund") and the Improvement Fund shall be used for depreciation, improvements, replacements, additions and extensions of the Utility. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the Utility.

Section 13. Priority of Payments. (a) The revenues of the Utility shall be applied towards the payment of, in order of priority, the following: *first*, the expenses of operation, repair and maintenance; *second*, on a *pari passu* (parity) basis, the principal of and interest on the Bonds and any additional bonds issued on a parity therewith; *third*, to meet the requirements of the reserve required for the obligations payable from the Net Revenue of the Utility; and *fourth*, expenses or costs that may be paid from the Improvement Fund. All moneys and investments in the Funds and Accounts established by this Ordinance, together with the revenues of the Utility, shall be applied by the Town in accordance with the terms of this Ordinance.

Section 14. Nature of Accounts and Investments. The Sinking Fund shall consist of at least one separate bank account of the Town. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single bank account, or accounts, but such bank account, or accounts, shall likewise be maintained separate and apart from all other bank accounts of the Town and apart from the Sinking Fund bank account or accounts. All moneys deposited in the bank accounts shall be deposited, held, secured and invested as public funds in accordance with the public depository laws and investment laws of the State of Indiana as now in effect (including particularly Indiana Code 5-13-9) or as hereafter supplemented and amended. All earnings on the investments held in the bank account shall be retained in the respective Fund and used for the purposes or transferred as therein provided.

The Clerk-Treasurer is hereby authorized pursuant to Indiana Code 5-1-14-3 to invest moneys pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Town as to requirements of federal law to preserve the tax exclusion. The Clerk-Treasurer may pay any fees as operation expenses of the Utility.

Section 15. Maintenance of Books and Records. The Town shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the

Utility and all disbursements made on account of the Utility, and all transactions relating to the Utility. There shall be prepared and furnished to the original purchasers of the Bonds and, upon written request, to any subsequent owner of at least \$25,000 in principal amount of the Bonds, not more than one hundred twenty (120) days after the close of each fiscal year, complete operating income and expense statements of the Utility, covering the preceding fiscal year and the balances in the several funds and accounts created or continued by this Ordinance. The fiscal year of the Utility shall be from January 1 to December 31, both inclusive. Copies of all such statements and reports, together with all audits of the Utility made available to the Town by the Indiana State Board of Accounts or any successor body authorized by law to audit municipal accounts, shall be kept on me in the office of the Clerk-Treasurer. Any owner or owners of at least \$25,000 in principal amount of the Bonds then outstanding shall have the right at all reasonable times to inspect the Utility and all records, accounts, statements, audits, reports and data of the Town relating to the Utility. Such inspections may be made by representatives duly authorized by written instrument.

Section 16. Rate Covenant. The Town covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the Utility, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Utility by or through any part of the Town, or that in any way uses or is served by such Utility; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the Town, and for the payment of the sums required to be paid into the Sinking Fund by the Act and this Ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such Utility by and services rendered to the Town and all departments thereof as the charges accrue.

Section 17. Defeasance of Bonds. If, when the Bonds issued hereunder or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds then outstanding or any portion thereof shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (including obligations issued or held in book entry form in the records of the Department of Treasury), the principal of and the interest on which when due will provide sufficient moneys, or (Hi) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no

longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's Utility.

Section 18. Additional Obligations. The Town reserves the right to authorize and issue additional BANs at any time ranking on parity with the BANs ("Parity BANs"). The Town reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Utility, ranking on a parity with the Bonds authorized by this Ordinance ("Parity Bonds"), for the purpose of financing the cost of future additions, extensions and improvements to the Utility, or for refunding all or a portion of the Bonds or any bonds ranking on a parity with the Bonds, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the Net Revenues of the Utility shall have been paid to date in accordance with the terms thereof and all credits required to be made to the Sinking Fund and the accounts thereof shall have been made to date; and

(b) The Net Revenues of the Utility in the fiscal year immediately preceding the issuance of any such additional bonds (provided, within the 90 day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the additional bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) ranking on a parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds, the Utility rates and charges shall be increased sufficiently so that the increased rates and charges applied to the preceding fiscal year's operations (provided, within the 90 day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the additional bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced annual Net Revenues for the years equal to not less than one hundred twenty-five percent (125 %) of the maximum annual interest and principal requirements of the then outstanding bonds and the proposed additional parity bonds to the final maturity of the then outstanding bonds (for purposes of this subsection, the records of the Utility shall be analyzed and all showings shall be prepared by a certified public accountant employed by the Town for that purpose); and

(c) The principal of and mandatory sinking fund redemption for the additional parity bonds shall be payable on July 1 (or, if the Bonds are issued with scheduled principal payments due on January 1 and July 1 of each year, then such principal payments on any additional parity bonds shall be payable on January 1 and July 1) and the interest on the additional parity bonds shall be payable semi-annually on January 1 and July 1 in the years in which such principal and interest are payable.

A debt service reserve for the Parity Bonds commensurate with and proportional to the Debt Service Reserve Account created for the Bonds shall be created and maintained as of the date of delivery of the Parity Bonds. Such reserve may either be

funded with bond proceeds, funds of the Utility over a period not to exceed five (5) years from the date of their issuance, or a combination thereof.

Section 19. Additional Covenants. For the purpose of further safeguarding the interests of the owners of the Bonds herein authorized, it is specifically provided as follows:

(a) The Town shall at all times maintain its Utility in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) The Town shall acquire and maintain insurance on the insurable parts of the Utility of a kind and in any amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as Net Revenues of the Utility. As an alternative to maintaining such insurance, the Town may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of applicable laws and is maintained in a manner consistent with programs maintained by similarly situated governmental entities.

(c) So long as any of the Bonds and BANs are outstanding, the Town shall not mortgage, pledge or otherwise encumber such Utility, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except to replace equipment which may become worn out or obsolete or no longer suitable for use in the Utility.

(d) Except as otherwise permitted pursuant to this Ordinance, so long as any of the Bonds herein authorized are outstanding, no additional Bonds or other obligations pledging any portion of the revenues of the Utility shall be authorized, executed or issued by the Town except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 17 hereof as of or coincidentally with the delivery of such additional Bonds or other Bonds.

(e) The Town shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced with available sanitary sewers. The Town shall, insofar as possible, cause all such sanitary sewers to be connected with the Utility.

(f) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the Bonds and BANs herein authorized, and after the issuance of the Bonds and BANs, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds and BANs, nor shall the Legislative Body adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds, BANs or the

interest thereon remain unpaid. Excluding the changes set forth in Section 21 of this Ordinance requiring the consent of all Bondholders, this Ordinance may be amended without the consent of the owners of the Bonds or BANs if the Legislative Body determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds or BANs.

(g) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the Act. The provisions of this Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of the fund as in this Ordinance set forth. The owners of the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer the Utility, in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the Act.

Section 20. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of the issuance of the Bonds and BANs (the "Code") and as an inducement to purchasers of the Bonds and BANs, the Town represents, covenants and agrees that:

(a) No person or entity, other than the Town or another state or local governmental unit, will use proceeds of the Bonds and BANs or property financed by Bond or BAN proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No Bond or BAN proceeds will be loaned to any entity or person other than a state or local governmental unit. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred, directly or indirectly, to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(c) The Town will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds or BANs pursuant to Section 103 of the Code.

(d) It shall not be an event of default under this Ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or

otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of the Bonds or BANs.

(e) The Town intends to comply with the rebate requirement of Section 148(f) of the Code. The Town certifies that:

(1) the Town is a governmental unit with general taxing powers (or has the power to cause another entity to impose taxes of general applicability for the purposes of the Town);

(2) the Bonds and BANs are not private activity bonds as deemed in Section 141 of the Code;

(3) at least 95 percent of the net proceeds of the Bonds and BANs will be used for local governmental activities of the Town or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Town; and

(4) the aggregate face amount of all tax exempt obligations (other than private activity bonds) issued by the Town and all units subordinate to the Town (that is, if the unit is directly or indirectly controlled by the other unit within the meaning of Treasury Regulation Section 1.150T-1(e)) is not reasonably expected to exceed \$5,000,000 in the calendar year 2006 or the aggregate face amount of all tax exempt obligations (other than private activity bonds) actually issued by the Town and all units subordinate to the Town does not exceed \$5,000,000 in the calendar year 2006.

Therefore the Town meets the requirements of Section 148(f)(4)(D) of the Code and Treasury Regulation Section 1.148-8, and will not have to rebate any arbitrage profits to the United States.

(f) The Town represents that:

(1) The Bonds and the BANs are not private activity bonds as defined in Section 141 of the Code;

(2) The Town hereby designates the Bonds and the BANs as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; and

(3) The reasonably anticipated amount of (A) qualified tax-exempt obligations which will be issued by the Town and all entities subordinate to the Town, including the Bonds, and (B) qualified obligations issued on behalf of 501(c)(3) organizations by the Town and all entities subordinate to the Town, will not in aggregate, during the calendar in which issued, exceed \$10,000,000.

(4) The Town has not designated more than \$10,000,000 of qualified tax-exempt obligations during the calendar year in which the Bonds are to be issued. Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100 % of the deduction by financial institutions of interest expense allocable to tax-exempt obligations. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the Town receives an opinion of nationally recognized bond counsel to the effect that area of the Tax Sections are unnecessary to preserve the Tax Exemption.

Section 21. Amendments with Bondholder Consent. Subject to the terms and provisions contained in this Section and as permitted elsewhere in this Ordinance (including Section 19 and Section 20 herein), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of "of interest on any Bond issued pursuant to this Ordinance or the extension of mandatory sinking fund redemption dates, if any; or
- (b) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the Utility ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement.

The owners of not less than sixty-six and two-thirds percent (66-23%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Town. No owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town or its officers or officials from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Town and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respect to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the Town and the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 22. Rates and Charges. The rates and charges for the several classes of users of the Utility are as set forth in the current schedule, which is available in the office of the Clerk-Treasurer.

Section 23. Disclosure. The President and Clerk-Treasurer, and either of them, are authorized to cause to be prepared the final form of the Preliminary Official Statement (or Offering Circular), if determined by them to be necessary, and to find and determine it to be final as of its date, except for the omission of the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, any other terms or provisions required to be specified in a competitive bid, ratings, other terms of the Bonds depending on such matters, and the identity of the underwriter(s). The form of the Preliminary Official Statement (or Offering Circular) as approved shall be maintained in the records of the Clerk-Treasurer. The Preliminary Official Statement (or Offering Circular) and the final Official Statement (or Offering Circular) are hereby authorized for distribution to prospective purchasers and other interested parties subject to the prior approval authorized herein.

The President and Clerk-Treasurer, and either of them, is authorized and directed to execute and deliver a final Official Statement (or Offering Circular), if determined by them to be necessary, in substantially the form of the Preliminary Official Statement (or Offering Circular), with such changes in form or substance as such official shall approve, such approval to be conclusively evidenced by the execution thereof.

If the use of a Preliminary Official Statement is determined to be necessary as provided above, the Town hereby covenants to deliver or cause to be delivered to the initial purchaser of the Bonds within seven (7) business days after any final agreement to purchase, offer or sell the Bonds copies of the final Official Statement if prepared as authorized herein, in sufficient quantity to comply with Rule 15c2-12(b)(4) of the Securities and Exchange Commission and the applicable rules of the Municipal Securities Rulemaking Board.

If the use of a Preliminary Official Statement is determined to be necessary as provided above and no exemption therefrom is otherwise applicable, the City further hereby covenants to enter into with a counterparty reasonably acceptable to the initial purchaser of the Bonds, a continuing disclosure agreement in substantially the form approved by the President and Clerk-Treasurer, and either of them, in connection with the approval of the Preliminary Official Statement, with such changes in form or substance as such officials shall approve, such approval to be conclusively evidenced by their execution thereof, for purposes of permitting the initial purchaser of the Bonds to comply with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

Section 24. Additional Authority. The President and the Clerk-Treasurer of the Town and either of them, is hereby authorized and directed to do and perform all acts and execute in the name of the Town all such instruments, documents, papers or certificates which are necessary, desirable or appropriate to carry out the transactions contemplated by this Ordinance in such forms as the President or Clerk-Treasurer executing the same shall deem proper, to be conclusively evidenced by the execution thereof. Notwithstanding any other provision of this Ordinance to the contrary, as and to the extent that the office of the Clerk-Treasurer is vacant from time to time, during any such vacancy, the person designated as the acting Clerk-Treasurer (provided that if no person has been so designated, then any Deputy Clerk-Treasurer and provided further that if no person has been designated and is then serving as a Deputy Clerk-Treasurer, then any member of the Legislative Body including the President except that attestation of the President's signature shall be by a person other than the President) shall carry out the actions herein specified to be performed by the Clerk-Treasurer.

Section 25. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 26. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

The foregoing was passed by the Georgetown Town Council this 10th day of July, 2006.

AYES

NAYS

Gary L Smith
Walter Hammersmith
Chris J. Davis
Tom H. Allen
Stephen K. McElroy

Council Members

Council Members

Presented by me to the President this 10th day of July, 2006.

Douglas Cook
Douglas Cook, Clerk-Treasurer

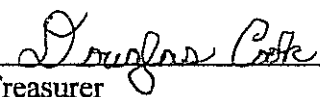
Approved and signed by me this 10th day of July, 2006.

Gary L Smith
Gary Smith, Council President

STATE OF INDIANA)
)
COUNTY OF FLOYD) SS:

I, the undersigned Clerk-Treasurer of the Town of Georgetown, Indiana, in Floyd County, Indiana, do hereby certify the above and foregoing is a full, true and complete copy of Ordinance No. G-2006-²⁶, passed by the Town's Council on the 10th day of July, 2006, by a vote of 5 AYES and 0 NAYS, which was signed by the President on the 10th day of July 2006 and now remains on file and on record in my office.

WITNESS my hand and the official seal of the Town of Georgetown, Indiana, this 10th day of July, 2006.


Clerk-Treasurer

(SEAL)

ADOPTED FIRST READING: July 10, 2006